



Reprinted
March 25, 2015

ENGROSSED HOUSE BILL No. 1469

DIGEST OF HB 1469 (Updated March 24, 2015 3:40 pm - DI 96)

Citations Affected: IC 22-2.

Synopsis: Wage payment and wage assignment. Provides that an employer who fails to make timely payment of wages or withholds wages in bad faith, shall, in addition to the wages due, pay liquidated damages of: (1) an amount equal to three times the amount of unpaid wages; (2) an additional amount equal to 10% of the amount due the employee for each day after the thirtieth day after the date the court enters an order determining the amount of wages due and all appeals have been exhausted; (3) court costs; and (4) a reasonable fee for the employee's attorney. Provides that an employee may assign wages for: (1) the purchase, rental, or use of uniforms or equipment necessary to fulfill the duties of employment, provided that the total amount of wages assigned may not exceed the lesser of: (A) \$2,500 per year; or (B) 5% of the employee's weekly disposable earnings; (2) reimbursement for education or employee skills training, unless the education or employee skills training were provided through an economic development incentive from a federal, state, or local program; (3) an advance for payroll or vacation pay; and (4) merchandise, goods, or food offered by the employer, for the employee's benefit, use, or consumption, at the written request of the employee.

Effective: July 1, 2015.

Ober, Carbaugh

(SENATE SPONSORS — BOOTS, PERFECT)

January 14, 2015, read first time and referred to Committee on Judiciary.
February 3, 2015, amended, reported — Do Pass.
February 5, 2015, read second time, ordered engrossed. Engrossed.
February 9, 2015, read third time, passed. Yeas 69, nays 29.

SENATE ACTION

February 24, 2015, read first time and referred to Committee on Pensions & Labor.
March 19, 2015, amended, reported favorably — Do Pass.
March 24, 2015, read second time, amended, ordered engrossed.

EH 1469—LS 6826/DI 96



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First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1469

A BILL FOR AN ACT to amend the Indiana Code concerning labor and safety.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 22-2-5-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2015]: Sec. 2. Every such person, firm,
3 corporation, limited liability company, or association who shall fail to
4 make payment of wages to any such employee as provided in section
5 1 of this chapter shall ~~as liquidated damages for such failure, pay be~~
6 **liable to such the employee for each day that the amount due to him**
7 **remains unpaid ten percent (10%) of the amount due to him in addition**
8 **thereto, not exceeding double the amount of unpaid wages, due, and**
9 **said damages the amount** may be recovered in any court having
10 jurisdiction of a suit to recover the amount due to ~~such the~~ employee.
11 **and In addition, if the court in any such suit so brought to recover**
12 **said wages or the determines that the person, firm, corporation,**
13 **limited liability company, or association that failed to pay the**
14 **employee as provided in section 1 of this chapter was not acting in**
15 **good faith, the court:**

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(1) shall order as liquidated damages for nonpayment thereof, or both, the court shall the failure to pay wages, that the employee be paid:

(A) an amount equal to three (3) times the amount of wages due the employee; plus

(B) if the amount due to the employee remains unpaid thirty (30) days after the date the court enters an order determining the amount of wages due and all appeals have been exhausted, an additional amount equal to ten percent (10%) of the amount due to the employee for each day after the thirtieth day that the amount due to the employee remains unpaid; and

(2) shall tax and assess order as costs in said the case a reasonable fee for the plaintiff's attorney or attorneys; and court costs.

SECTION 2. IC 22-2-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2015]: Sec. 2. (a) Any assignment of the wages of an employee is valid only if all of the following conditions are satisfied:

(1) The assignment is:

(A) in writing;

(B) signed by the employee personally;

(C) by its terms revocable at any time by the employee upon written notice to the employer; and

(D) agreed to in writing by the employer.

(2) An executed copy of the assignment is delivered to the employer within ten (10) days after its execution.

(3) The assignment is made for a purpose described in subsection (b).

(b) A wage assignment under this section may be made for the purpose of paying any of the following:

(1) Premium on a policy of insurance obtained for the employee by the employer.

(2) Pledge or contribution of the employee to a charitable or nonprofit organization.

(3) Purchase price of bonds or securities, issued or guaranteed by the United States.

(4) Purchase price of shares of stock, or fractional interests therein, of the employing company, or of a company owning the majority of the issued and outstanding stock of the employing company, whether purchased from such company, in the open market or otherwise. However, if such shares are to be purchased



on installments pursuant to a written purchase agreement, the employee has the right under the purchase agreement at any time before completing purchase of such shares to cancel said agreement and to have repaid promptly the amount of all installment payments which theretofore have been made.

(5) Dues to become owing by the employee to a labor organization of which the employee is a member.

(6) Purchase price of merchandise, ~~sold goods~~, or food offered by the employer **and sold** to the employee, **for the employee's benefit, use, or consumption**, at the written request of the employee.

(7) Amount of a loan made to the employee by the employer and evidenced by a written instrument executed by the employee subject to the amount limits set forth in section 4(c) of this chapter.

(8) Contributions, assessments, or dues of the employee to a hospital service or a surgical or medical expense plan or to an employees' association, trust, or plan existing for the purpose of paying pensions or other benefits to said employee or to others designated by the employee.

(9) Payment to any credit union, nonprofit organizations, or associations of employees of such employer organized under any law of this state or of the United States.

(10) Payment to any person or organization regulated under the Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit to the employee's account by electronic transfer or as otherwise designated by the employee.

(11) Premiums on policies of insurance and annuities purchased by the employee on the employee's life.

(12) The purchase price of shares or fractional interest in shares in one (1) or more mutual funds.

(13) A judgment owed by the employee if the payment:

(A) is made in accordance with an agreement between the employee and the creditor; and

(B) is not a garnishment under IC 34-25-3.

(14) The purchase of uniforms and equipment necessary to fulfill the duties of employment. The total amount of wages assigned may not exceed the lesser of:

(A) two thousand five hundred dollars (\$2,500) per year; or

(B) five percent (5%) of the employee's weekly disposable earnings (as defined in IC 24-4.5-5-105(1)(a)).



1 **(15) Reimbursement for education or employee skills training.**
2 **However, a wage assignment may not be made if the**
3 **education or employee skills training benefits were provided,**
4 **in whole or in part, through an economic development**
5 **incentive from any federal, state, or local program.**

6 **(16) An advance for:**

7 **(A) payroll; or**

8 **(B) vacation;**

9 **pay.**

10 **(c) The interest rate charged on amounts loaned or advanced to**
11 **an employee and repaid under subsection (b) may not exceed the**
12 **bank prime loan interest rate as reported by the Board of**
13 **Governors of the Federal Reserve System or any successor rate,**
14 **plus four percent (4%).**



COMMITTEE REPORT

Mr. Speaker: Your Committee on Judiciary, to which was referred House Bill 1469, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 11, after "addition," insert "if".

Page 1, line 12, after "the" insert "**determines that the person, firm, corporation, limited liability company, or association that failed to pay the employee as provided in section 1 of this chapter was not acting in good faith, the court:**".

Page 1, line 12, delete "may:".

Page 1, line 13, after "(1)" insert "may".

Page 2, line 3, delete "double" and insert "triple".

Page 2, line 5, after "(2)" insert "shall".

Page 2, line 41, after "merchandise" insert ",."

Page 2, line 41, strike "sold" and insert "**goods, or food offered**".

Page 2, line 41, after "employer" insert "**and sold**".

Page 2, line 42, after "employee," insert "**for the employee's benefit, use, or consumption,**".

Page 3, delete lines 25 through 37, begin a new line block indented and insert:

"(14) The purchase of uniforms and equipment necessary to fulfill the duties of employment. The total amount of wages assigned may not exceed the lesser of:

(A) two thousand five hundred dollars (\$2,500) per year;

or

(B) the amount limits set forth in section 4(c) of this chapter.

(15) Reimbursement for education or employee skills training.

(16) An advance for:

(A) payroll; or

(B) vacation;

pay.

(c) The interest rate charged on amounts loaned or advanced to an employee and repaid under subsection (b) may not exceed the bank prime loan interest rate as reported by the Board of



Governors of the Federal Reserve System or any successor rate, plus four percent (4%)."

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to HB 1469 as introduced.)

STEUERWALD

Committee Vote: yeas 6, nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Pensions and Labor, to which was referred House Bill No. 1469, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, line 1, delete "may" and insert "**shall**".

Page 2, line 3, after "paid" insert ":

(A)".

Page 2, line 3, delete "not to exceed" and insert "**equal to three (3) times the amount of wages due the employee; plus**

(B) if the amount due to the employee remains unpaid thirty (30) days after the date the court enters an order determining the amount of wages due and all appeals have been exhausted, an additional amount equal to".

Page 2, line 4, after "day" insert "**after the thirtieth day**".

Page 2, line 5, after "unpaid" delete "," and insert ";".

Page 2, line 5, delete "with the total amount".

Page 2, delete line 6.

Page 2, line 7, delete "amount of wages due to the employee;".

Page 2, run in lines 5 through 7.

Page 2, line 8, strike "tax and assess" and insert "**order**".



Page 3, line 35, delete "the amount limits set forth in section 4(c) of this" and insert **"five percent (5%) of the employee's weekly disposable earnings (as defined in IC 24-4.5-5-105(1)(a))."**

Page 3, delete line 36.

and when so amended that said bill do pass.

(Reference is to HB 1469 as printed February 3, 2015.)

BOOTS, Chairperson

Committee Vote: Yeas 6, Nays 4.

SENATE MOTION

Madam President: I move that Engrossed House Bill 1469 be amended to read as follows:

Page 4, line 1, after "training." insert **"However, a wage assignment may not be made if the education or employee skills training benefits were provided, in whole or in part, through an economic development incentive from any federal, state, or local program."**

(Reference is to EHB 1469 as printed March 20, 2015.)

WALTZ

